requirements. During the latter part of the year some banks in Maharashtra also faced a run on their deposits leading to liquidity problems.

(b) The deposits upto Rs. 1.00 lakh are insured by Deposit Insurance Credit Guarantee Corporaiton (DICGC), which undertakes settlement of all such claims. In cases of UCBs whose licences have cancelled/application for licences rejected, RBI requisitions the Registrar of Cooperative Societies (RCS) of the State concerned to put the bank under liquidation and submit to DICGC claims of depositors for settlement.

(c) Cooperation is a State Subject as per Constitution of India and RBI acts as a Regulator for Banking Companies formed under the relevant statutes. In terms of the extant legislative framework in respect of UCBs certain powers like incorporation, registraiton, elections, management, amalgamation, reconstruction and liquidation of UCBs are vested in the Registrars of Cooperative Societies, while RBI is entrusted with matters relating to interest rates, loan policies, investments, prudential norms, risk management and issue/ cancellation of bank/branch licenses, etc. In comparison with the powers of RBI over Commercial Banks, the existence of dual control restricts the flexibility of Reserve Bank in dealing with UCBs facing financial weakness.

(d) All Primary Urban Co-operative Banks are required to maintain stipulated level of Capital Adequacy Ratio. At present all UCBs are required to maintain a Capital to Risk Assets Ratio (CRAR) of minimum of 9%, which is at par with Commercial Banks.

Manipulation by IRS officials to escape transfers

2944. SHRIMATI SYEDA ANWARA TAIMUR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that at least twenty senior Indian Revenue Service

(IRS) officers in the rank of Additional Commissioners and Joint Commissioners have allegedly manipulated procedures to escape from the transfer list in 2006;

(b) whether it is also a fact that at the instance of the Central Vigilance Commission, his Ministry has initiated an inquiry against some top CBDT officials;

(c) if so, the details thereof, and

(d) the action proposed to be taken against the corrupt officials?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) No.

(c) and (d) Not applicable in view of reply to (a) and (b) above.

Loans offered by PNB to corporate borrowers at lower rate of interest

2945. SHRI DHARAM PAL SABHARWAL Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that large Corporate Branch, Mumbai of Punjab National Bank have advanced more than Rs. 2500 crore to corporate borrowers at the rate of 7 per cent interest which is even below the cost of fund during the fiscal year 2005 and 2006;

(b) the names of the corporate borrowers to whom loans have been given @ 7 per cent with the amount of loan in each case; and

(c) the action proposed to be taken by Government and RBI?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) and (c) During the years 2004-05 and 2005-06, Large Corporate Branch, Mumbai of Punjab National Bank released total loans of Rs. 424 crore to Gujarat Paguthan Energy Corporation Ltd. (Rs. 24 core), Videocon International Ltd. (Rs.100 crore), Idea Cellular Ltd. (Rs. 200 crore), L&T (Rs. 50 crore) and JSW Steel Ltd. (Rs. 50 crore) on an interest of 7% per annum, against the cost of funds of the bank during the said period ranging between 3.70% and 3.73%. Interest rates on loans given by the Commercial